



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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June 15, 2000

Russell Feller
A & R Leasing, LLC
688 East Chad Ranch Road
Veyo, Utah 84782

Re: Acceptance of Amended Notice of Intention to Commence Small Mining Operations, A & R Leasing, LLC, Honey Onyx, S/023/027, Juab County, Utah

Dear Mr. Feller:

Thank you for your Notice of Intention to Commence Small Mining Operations and initial \$100.00 permit application fee, received by the Division on May 25, 2000. We apologize for the delay in responding to this notice, but there was a conflict that had to be worked through. The application for the proposed Honey Onyx project, located in the SE1/4 of the NE1/4 and the SW1/4 of the NE1/4 of Section 16, SLBM, is in the same location as the previously permitted and approved Honey Onyx notice permitted by Feller Holding Corp, approved on July 23, 1991. The operator name has since been changed to Feller Stone, Inc.

The project is located on School and Institutional Trust Lands Administration (SITLA) managed land. The original permit was listed under Mineral Lease 47767-MP. That lease reached the end of its term and expired on July 9, 1999; therefore, SITLA terminated lease ML 47767-MP and advised us that they had closed their file. However, Feller Stone, Inc. has continued to supply this Division with annual reports stating this site is active and, therefore, we could not close our file for this project.

As this new notice is in the same vicinity as the originally approved permit (just east of the existing site), we will amend this new notice to the originally approved notice. Under our neighboring and related sites policy, if a project is located within two miles of an operator's existing project site, the new project will be amended to the same project. We have changed the operator name from Feller Stone, Inc. to A & R Leasing, LLC., the address and phone remain the same. A & R Leasing, LLC will be the responsible party for continued mining and reclamation of this new project site as well as the project site approved in 1991.

We have reviewed the new notice under rule R647-3 and have determined that it is complete and no additional information is required by the Division at this time. **You may commence operations as outlined in your notice provided you have received written approval from SITLA to proceed as this project is located on SITLA managed land.** SITLA has supplied us with a new mineral lease number for this project (ML 48486-MP).

Page 2
Russell Feller
S/023/027
June 15, 2000

The variance section was left blank; therefore, we will assume that no variances were required and A & R Leasing will be responsible for all operation and reclamation practices as described on pages 3 and 4 of the notice that are applicable (i.e. if there are no shafts or tunnels on site, then item #2 to permanently seal all shafts & tunnels would not apply). For your reference, I have enclosed a summarized copy of these rules and the statutory penalty for failure to reclaim a minesite (SMO-1 and SMO-2).

Please give special consideration to item #10 of the "Operation and Reclamation Practices." Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

Should you wish to expand your operation beyond the five acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. A large mining notice could take from six to twelve months or longer to receive approval.

The 1999 permit fee for this permit was received on July 30, 1999. Therefore, the \$100.00 fee received with this notice will be credited toward the 2000-2001 fiscal year. It is the Division policy that payments received within 45 days of the next fiscal year (July 1 - June 30) will be credited toward that new year. You should not receive a billing statement in July. However, if you do receive a billing in error, please contact Joelle Burns at (801) 538-5291 so it can be corrected.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation. Please reference our file number S/023/027 in future correspondence regarding the Honey Onyx project.

Sincerely,



Tom Munson
Senior Reclamation Specialist

jb
Enclosure: SMO summary
cc: John Blake, SITLA (ML 48486-MP)
S23-27-amd